

Local Education Agency  
Ad Hoc Workgroup Meeting  
**June 4, 2008 Meeting Summary**

**Location:** Orange County Department of Education

**ATTENDEES:**

<b>Name</b>	<b>Organization/Title</b>
1. Liz Touhey	DHCS, Safety Net Financing Division
2. Rob Williams	DHCS, Safety Net Financing Division
3. Sherry Purcell	Los Angeles Unified School District (USD)
4. Cathy Bennett	Sacramento City USD
5. Margie Bobe	Los Angeles USD
6. Anyisia Drumheller	Butte COE
7. Sue Hamblin	Stanislaus COE
8. Greg Englar	Sonoma COE
9. Cathy Bray	Los Angeles COE
10. Linda Davis-Aldritt	California Department of Education (CDE)
11. Sheri Coburn	San Joaquin COE
12. Marlene Burrue	San Joaquin COE
13. Annette Jewell	Orange County Department of Education
14. Christine Ridley	San Bernardino County Superintendent of Schools
15. Janice Holden	Stanislaus COE
16. Michelle Cowart	Contra Costa County COE
17. Marjorie Rollins	Sutter County Superintendent of Schools
18. Maria Alfante	Los Angeles COE
19. Cynthia White-Piper	San Bernardino City USD
20. Janet Crabtree	San Bernardino County Superintendent of Schools
21. Kevin Harris	Navigant Consulting, Inc.
22. Gloria Eng	Navigant Consulting, Inc.
23. Kate Drummond	Navigant Consulting, Inc.
24. Julia Hanke	Navigant Consulting, Inc.

**Handouts**

Each participant received a folder with copies of the following: Agenda, updated Paid Claims Issues Matrix, Estimated Erroneous Payment Correction (EPC) Implementation Timeline, an Initial Treatment Services Billed Units Form and Navigant Consulting's PowerPoint presentation. In addition, meeting participants received a copy the LEA Workgroup Issue Track.

**Purpose**

The meeting was convened by the DHCS in partnership with LAUSD. The purpose of the Workgroup is to improve the Local Educational Agency (LEA) Program. The emphasis of the meeting is to strategize various goals and activities aimed at enhancing the Medi-Cal services provided on school sites and access by students to these

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services, while increasing federal reimbursement to LEAs for the cost of providing these services.

**Final Regulations on MAA and Transportation, CMS-2287-F**

The effective date for CMS final rule 2287 (CMS-2287-F) is September 1, 2008, subject to pending federal legislation. CMS-2287-F will eliminate Medicaid Administrative Claiming and Medicaid claiming for transportation of school-aged children between home and school.

**Interim Final Rule on Targeted Case Management (TCM), CMS-2237-IFC**

CMS published an interim final regulation (CMS-2237-IFC) clarifying Medicaid reimbursable targeted case management services. DHCS is in discussions with CMS regarding the regulations, intent and impact of California health care programs.

**New Services**

Durable Medical Equipment (DME) is being considered as a potential new service under the LEA Program. Navigant Consulting, Inc. discussed the results of their ongoing research and summarized the current funding options for DME, requirements under Medi-Cal and the State and Workgroup concerns. In addition, Navigant Consulting, Inc. recently met with the California Children's Services and conducted a phone interview with a legal advocate. The Workgroup was presented with two potential options for LEAs to obtain Medi-Cal funding for Speech Generating Devices (SGDs).

**Action:**

What: Conduct a meeting with the Treatment Authorization Request (TAR) Field Office.

Who: Navigant Consulting, Inc.

When: By the next Workgroup meeting

**Action:**

What: Determine the percentage of children impacted if the LEA Program expanded to include a DME benefit.

Who: Workgroup members

When: By the next Workgroup meeting

**Action:**

What: Request Medi-Cal paid claims data for SGD with eligibility codes from DHCS.

Who: Navigant Consulting, Inc.

When: By the next Workgroup meeting

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**Action:**

What: Determine scope and necessary work for TAR process and create a scenario for the Workgroup.

Who: Navigant Consulting, Inc.

When: By the next Workgroup meeting

**Claims Processing Issues**

DHCS and Navigant Consulting, Inc. provided current status updates on the outstanding claims processing issues. Bi-weekly meetings between DHCS, Navigant Consulting, Inc. and EDS will continue to occur until the claims processing issues are resolved.

Provider Enrollment updated some LEAs with missing Targeted Case Management (TCM) Categories of Service (COS) as of March 21, 2008. LEAs in the first round of COS updates should no longer be receiving TCM claim denials. Additional LEAs with missing COS on the EDS file will be updated as well in the near future. In addition, procedure code 96101 (IEP/IFSP psychological assessments) was added to the Managed Care table as of May 1, 2008. LEAs should no longer be receiving denials with RAD code 37 for claims billed with 96101. EPCs for these two system corrections will be forthcoming.

Some Workgroup members expressed concerns regarding recent treatment claims that are denied as duplicates. This issue should have been resolved in January and will be researched when the Workgroup provides examples.

**Action:**

What: Provide Navigant Consulting, Inc. with claim examples of duplicate treatment service denials for review and analysis.

Who: Sheri Coburn and Margie Bobe

When: As soon as possible

**LEA Workgroup Issue Track:**

**Seven Percent Interest Penalty for Overpayments**

Some Workgroup members reported that they received letters from DHCS Third Party Liability notifying LEAs of the balance due in an account receivable for claims overpayment. The letters indicate the principal amount owed and a seven percent interest penalty on the payment owed to the State. Currently, DHCS Office of Legal Services is reviewing the seven percent interest regulations and considering the original intent of the regulations. LEAs may fall under a different regulation. DHCS believes there will be resolution within the coming weeks.

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Review of Assessment Utilization Controls

The Workgroup reviewed DHCS' proposed new utilization control of IEP/IFSP amended assessments. The new utilization control of one amended assessment per 30 days per LEA per beneficiary would allow LEAs to receive reimbursement for required assessments while staying compliant with IDEA. The Workgroup requested to review the list of all LEA procedure codes and utilization controls for LEA services. LEAs can refer to the LEA Provider Manual for current utilization controls.

Reporting of SB 231 Withholds

The Workgroup requested written documentation of the 2.5 percent withhold amounts for Fiscal Year (FY) 2005-06 and FY 2006-07 from DHCS. The \$1.5 million cap will not be reached in FY 2007-08, so the current withhold for FY 2007-08 will stop on June 23, 2008 and restart for FY 2008-09. DHCS will work with Audits and Investigations to develop a process of returning overpayments from previous years.

**Action:**

What: Provide documentation of 2.5 percent withhold amounts for FY 2005-06 and FY 2006-07 and determine a process for LEAs to recoup any excess withhold.

Who: DHCS

When: By the next Workgroup meeting

DHCS SB 231 Annual Legislative Report

DHCS gave an update on the status of the SB 231 Legislative reports. As part of SB 231, DHCS is required to write an annual report to the legislature. The 2006-07 report (April 2006 – March 2007) is currently with the Governor's office. The Workgroup will be notified when the report is released and published and a copy will be posted on the LEA Program website. The 2007-08 report (April 2007 – March 2008) is currently in Safety Net Financing Division for review.

LEA Website FAQs

The LEA Program website FAQs have been updated per the Workgroup's request to clarify LEA policy and add questions and answers that have been received via e-mail from LEA providers. The FAQs are currently pending DHCS review and will be posted soon.

**Action:**

What: Review and approve updated LEA FAQs and post on LEA Program website.

Who: DHCS

When: ASAP

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Provider Qualifications for Contracted Registered Nurses (RN)

The Workgroup identified potential conflicts between the LEA Provider Manual and Education Code regarding the provider qualifications for an RN contracted through a non-public school or agency. The LEA Provider Manual should clarify the supervision responsibilities and the credentials of the supervisor.

**Action:**

What: Research nurse credential requirements and update the LEA Provider Manual.

Who: Navigant Consulting, Inc.

When: Not specified

Social Security Numbers Provided as Medi-Cal ID Numbers

Workgroup members reported that DHCS is providing some student's Social Security Numbers (SSN) as the Medi-Cal ID number on the eligibility MEDS Tape Match, resulting in a claim denial code 0046 (SSN not permitted for billing Medi-Cal).

**Action:**

What: Research and discuss the eligibility match process with ITSD to determine why some students are not receiving the appropriate beneficiary identification numbers.

Who: DHCS

When: Not specified

Review of LEA Annual Report

A sub-committee of Workgroup members including Anysia Drumheller, Laura Baynham, and Sherry Purcell, was formed to review the LEA Annual Report to eliminate overlap of information required in the Cost and Reimbursement Comparison Schedule (CRCS). The Annual Report Sub-Committee will continue their review and recommend revisions to DHCS.

**Action:**

What: Complete review and recommended edits for LEA Annual Report form.

Who: Annual Report Sub-Committee

When: Not specified

CP-O-888 Report

The Workgroup discussed the necessity of the CP-O-888 report generated by EDS monthly. The Workgroup members requested that the report show all procedure code/modifier combinations and potentially be used for the CRCS paid claims data information. The requested information was sent to EDS.

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LEA Training

Workgroup members discussed future training for LEA providers and billing vendors. Preferred training methods and potential training formats were suggested.

**Action:**

What: Research the feasibility of alternative training formats and forums for training LEA providers and vendors, including posting the training to various websites and video conferencing through COEs.

Who: Workgroup members

When: By the next Workgroup meeting

LEA Training to Include Audits and Investigations

Workgroup members discussed identifying the types of audits and review that may occur in LEAs, as well as expectations and the audit process. The Workgroup discussed potentially including Audits and Investigations in the future LEA trainings.

Audit Checklist Development

Cathy Bennett and Margie Bobe formed a sub-committee to develop an informal audit checklist for districts and COEs. The checklist will be distributed to LEAs and address questions, roles, responsibilities and define terms.

LEA Membership

DHCS maintains a roster of LEA Workgroup members. Laura Baynham completed a Workgroup contact list and provided it to the Workgroup. Workgroup members discussed methods of informing new members of responsibilities.

**Action:**

What: Provide list of LEAs and contact information from Provider Enrollment through CDE.

Who: Linda Davis-Aldritt

When: Not specified

CDE Special Education Representation

Workgroup co-chairs plan to submit a letter to CDE requesting representation from CDE Special Education at the Workgroup meetings.

**Action:**

What: Develop and submit letter to the CDE special education division director.

Who: Workgroup co-chairs

When: Not specified

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LEA Website Navigation

Workgroup members expressed that accessing and navigating the LEA website is difficult. DHCS informed the Workgroup that the State maintains the website format for consistency between departments and therefore cannot be changed. However, the LEA website will be accessible at the original dhcs.ca.gov/lea website address in the near future.

LEA Workgroup Issue Track

Workgroup members discussed the necessity of posting the LEA Workgroup Issue Track on the LEA website or in the Workgroup meeting summaries. DHCS and Navigant Consulting, Inc. informed the Workgroup that issue track items are included in the Workgroup meeting summaries.

**Future Workgroup Meeting**

The next Workgroup meeting for DHCS and providers will be held in Sacramento on Wednesday, August 6<sup>th</sup>.